

Message Text

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ACTION COME-00

INFO OCT-01 EA-10 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00
DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15
STR-07 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01
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FM AMEMBASSY TAIPEI
TO SECSTATE WASHDC PRIORITY 7458
INFO USMISSION GENEVA

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USMTN FOR MTN GENEVA

E.O. 11652: N/A
TAGS: ETRD, MTN, TW
SUBJECT: US/ROC (MTN) TRADE TALKS

REF: STATE 121781

1. SEPTTEL PROVIDES INFORMATION RE PARA 1 OF REFTEL.
THIS MESSAGE ANSWERS OTHER QUESTIONS RAISED IN
REFTEL.

2. CENTRAL TRUST OF CHINA (CTC) HAS VARIOUS KINDS OF
CHARGES, NONE OF WHICH ARE DISCRIMINATORY. IMPORTATION OF
AGRICULTURAL COMMODITIES IN BULK ARE SUBJECT TO CONSIGN-
MENT CHARGES WHICH COVER THE COST OF CTC OPENING LETTER
OF CREDIT IN ITS FUNCTION AS IMPORTER. THIS CHARGE IS
NOT REGARDED AS A TRADE DETERRENT. HOWEV, FOR APPLES
AND PEARS, CTC AUCTIONS ENTIRE AMOUNT IMPORTED
AND POCKETS THE PROFITS. IN THE CASE OF US AUTOMOBILES
(TAIPEI 0704) THERE WAS A FIXED SERVICE CHARGE FOR EACH
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CAR PAYABLE TO CTC. THE FOREIGN CURRENCY CHARGE MENTIONED
IN REFTEL UNDOUBTEDLY REFERS TO THE PRACTICE OF BIDDING
FOR FOREIGN EXCHANGE USED FOR AUTOMOBILES. TO THE EXTENT
THAT THE US DOLLAR PRICE IS BID UP ABOVE THE OFFICIAL
US DOLLAR BUYING RATE OF
NT DOLLARS 38.05, THERE IS A CURRENCY CHARGE.

3. ROC PRODUCT SAFETY, HEALTH AND SANITARY REGULATIONS
ARE NOT APPLIED DISCRIMINATORILY.

4. SAMPLES AND DEMONSTRATION EQUIPMENT MAY BE IMPORTED
TEMPORARILY BUT LARGE CASH DEPOSIT IS REQUIRED. FOR
TEMPORARY ENTRIES OF SUCH GOODS VALUED AT OVER US
DOLLARS 400, AN IMPORT LICENSE IS REQUIRED. COMMERCIAL
ATTACHE HAS BEEN TOLD BY AMERICAN CHAMBER OF COMMERCE'S
CUSTOMS COMMITTEE THAT THIS IS KEY BARRIER TO TRADE.
LAST YEAR'S REVISION OF CUSTOMS REGULATIONS STOPPED THE
PRACTICE OF US AND OTHER FOREIGN FIRMS OPERATING OUT OF
BONDED WAREHOUSES FROM WHICH THEY PREVIOUSLY SUPPLIED
CHEMICALS AND OTHER SHIPS STORES TO VESSELS.
THESE SUPPLIERS OF SHIPS STORES NOW HAVE TO STOCK THEIR
GOODS IN A NUMBER OF BONDED WAREHOUSES OF EACH SHIPPING
LINE THEY ARE SELLING TO.

5. US FIRMS HAVE NO BASIC PROBLEM IN EXPORTING FROM ROC
EXPORT PROCESSING ZONES, BUT RATHER ARE, IN MOST INSTANCES,
UNABLE TO BRING GOODS INTO TAIWAN FROM THESE ZONES.

6. EXCHANGE CONTROL REGULATIONS ARE NOT CONSIDERED TO
BE AN IMPEDIMENT TO THE IMPORTATION OF US GOODS.

7. PRIOR IMPORT DEPOSITS HAVE BEEN A PROBLEM BUT THE
AMERICAN CHAMBER OF COMMERCE CUSTOMS COMMITTEE IS HOPEFUL
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THAT ROC CUSTOMS WILL MAKE THIS REQUIREMENT LESS ONEROUS.
SEVERAL TEST CASES ARE NOW UNDERWAY.

8. EMBASSY HAS NEVER HEARD THAT ROC CUSTOMS REQUIRES
CERTIFICATE STATING AMOUNT OF COMMISSION PAID. AT
BEGINNING OF 1978, EXCLUSIVE AGENCIES REGISTRATION WITH
BOARD OF FOREIGN TRADE WAS DISCONTINUED. UNGER

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